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TAXES



UTAH
FACTS

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CONTENTS

SALES AND USE TAXES	4
Tax Relief Measures	4
Local Option Taxes	4
PROPERTY TAXES	4
INDIVIDUAL INCOME TAX	3
CORPORATE INCOME TAX	3
NO INVENTORY TAX	3
UNEMPLOYMENT COMPENSATION TAX	3
SEVERANCE TAX	3
INHERITANCE TAX	3
TRANSPORTATION TAXES	3
INDIVIDUAL INCOME TAX	3
CORPORATE INCOME TAX	3
UNITARY TAX RELIEF	3
NO INVENTORY TAX	3
UNEMPLOYMENT COMPENSATION TAX	3
SEVERANCE TAX	3
INHERITANCE TAX	3
TRANSPORTATION TAXES	3
SALES AND USE TAXES	4
SALES TAX RELIEF MEASURES	4
LOCAL OPTION TAXES	4
PROPERTY TAXES	4

ILLUSTRATIONS

Table 1	Total State and Local Tax Collections Fiscal Year 1985	5
Table 2	Tax Structure of Utah Effective January 1985	6 & 7
Table 3	Comparative Tax Measures, Mountain and Western States Fiscal Year 1983-1984	8
Table 4	Comparative Sales and Use Tax Rates, Utah and Western States as of January, 1986	9
Table 5	Comparative Property Tax Measures, Mountain and Western States Fiscal Year 1983-1984	9
Table 6	Comparison of Utah Income Tax Liability for Married Couple Filing Joint Return and Single Taxpayer Return (Not Itemizing Deductions) 1985	10
Table 7	Comparison of Corporate Income Tax Rates Utah and Western States as of April, 1986	10
Table 8	State Income Tax on Selected Levels of Corporate Income, Utah and Western States As of April, 1986	11
Table 9	State Unemployment Compensation Taxes For Selected Western States As of January, 1986	11

The 1977 Legislature adopted a "circuit-breaker" provision into the Utah property tax laws. As amended in 1983, the new law provides property tax relief on a sliding scale to widows, widowers and those over 65 years of age with annual household income under \$10,000.

INDIVIDUAL INCOME TAX

Utah is one of 44 states which impose an individual income tax. Following a general trend, in 1973 Utah adopted federal definitions of income exemptions and deductions to compute taxable income, which included deductions for federal income taxes and interest on federal bonds.

In 1985, income from individual income taxes netted the state \$435.5 million, approximately 20 percent of the \$2.2 billion total tax collections for the year (**Table 1**). A comparison of the state individual income tax liability for a married couple and for a single person under the current Utah tax law is shown in **Table 6**.

CORPORATE INCOME TAX

Utah is one of 45 states imposing a tax on corporate net income. The rate is 5.0 percent, and the tax is applied to corporate net income before deduction for federal taxes. Currently, the minimum tax is \$100.

Under provisions of legislation enacted in 1984, Utah municipal bond interest income and interest income from securities of the U.S. Government and its agencies is included in Utah taxable income. However, the inclusion of interest income is offset by a direct credit against the tax due. The law also provides for a tax credit of up to 25 percent of the fair market value of high technology equipment contributed to public and higher education. Additionally, nonprofit homeowners' associations are exempt from state corporate franchise tax under specific conditions. (See also, section on Utah Business Laws.)

Utah's corporate tax rate in comparison with that of neighboring states with rates adjusted to show the effective maximum rate before deduction for federal taxes in each state is shown in **Table 7**.

The state tax, assessed by Utah and other western states on corporate gross income of \$1 million and \$10 million (before federal tax), is shown in **Table 8**.

UNITARY TAX RELIEF

New legislation in 1986 will provide tax relief for many Utah businesses with operations outside the United States. House Bill 178 allows those corporations required to file a combined income report to elect "water's edge" income taxation. Prior to enactment of the measure, the state taxed the entire share of income allocated to Utah of any corporation's worldwide unitary income.

Now, according to Utah Tax Commission officials, "...a unitary group of affiliated corporations must file a 'water's edge' combined report." The firm may elect to continue under the old worldwide basis or may decide to report only that portion of income derived from its domestic (within the U.S.) operations. However, once the worldwide reporting is elected, it may be changed only by a showing of significant changes of operation.

NO INVENTORY TAX

A law enacted in 1969 eliminated the state's inventory tax. Since January 1, 1973, Utah has imposed no ad valorem taxes on inventory of any kind in any place in the state.

UNEMPLOYMENT COMPENSATION TAX

Employers of one or more persons in Utah are subject to a state unemployment tax, the proceeds of which are used to finance benefit payments to unemployed workers. The tax is based on employees' earnings, with the rate depending on several factors including annual and quarterly payroll stability and the age of the firm. Wage base information and rates for Utah and other Western States are shown in **Table 9**.

New employers who move into Utah are allowed to use their employment experience for fiscal 1984 and 1985 in the state from which they moved in computing their Utah tax rate rather than being assigned the standard rate.

SEVERANCE TAX

Utah levies a mine occupation or severance tax against the production of gas and oil, copper, lead, gold, silver, zinc, iron, tungsten, uranium, vanadium and

other valuable metals. An annual exemption of \$50,000 on the gross value of the ore, metals or hydrocarbon is allowed for each mine or well. The tax rate is 1.0 percent of the gross amount received for the ore or metals sold or delivered after deduction of transportation and processing charges. For oil and gas, the tax rate applied is 4.0 percent of the gross value of oil and gas sold after a \$50,000 exemption, plus exemption for the first six months of production for all wells drilled after January 1, 1984, and all wells which produce less than an average of 20 barrels of oil a day for a 12-month period, or an average of less than 60 MCF of gas per day for a 90-day period. At the present time there is no severance tax on coal mined in Utah.

INHERITANCE TAX

Inheritance tax laws in Utah are very similar to federal inheritance tax laws. In 1986, estates valued at less than \$500,000 are exempt from state and federal inheritance tax, and by 1987 this exemption increases to \$600,000. Both federal and state inheritance tax laws allow an unlimited marital deduction for property passed to the surviving spouse.

TRANSPORTATION TAXES

Utah's tax of 14 cents per gallon on gasoline and nine cents per gallon on gasohol is comparable to that of the other western states. Special fuels are also taxed at the same rates except aircraft fuel, which is at four cents per gallon.

The state levies motor vehicle registration and drivers' license fees, and special taxes (based on vehicle weight, value and/or in-state mileage) on large commercial carriers. Transportation tax collections (motor fuel tax, vehicle registration, special fuel tax and local transit authority tax) for the fiscal year ending June 1985, amounted to \$146.4 million.

In the fiscal year ending June 30, 1985, state and local governments in Utah collected more than \$2.2 billion in taxes, up 9.6 percent over 1984. Of the 1985 total, sales taxes accounted for 29.8 percent; property taxes, 29.7 percent; individual and corporate income taxes, 22.5 percent; unemployment compensation tax, 5.2 percent; and other taxes, 12.8 percent.

A breakdown of state and local taxes in Utah is shown in **Table 1**, while **Table 2** summarizes the state tax structure, describing the tax base, rates and allocation of taxes collected.

In fiscal 1984, the latest year for which comparative tax information is available, Utah ranked favorably with the seven other Mountain States and the 11 Western States in its tax burden, or the percentage of personal income paid out for state and local taxes. The Utah figure of 12.20 percent is almost identical to the 11 Western States' average of 12.18 percent. These data are presented in **Table 3**.

The tax burden in Utah reflects the large public education expenditures due to the high ratio of school-age children in the state. During the 1982-1983 fiscal year, education accounted for more than 45 percent of Utah's total state and local expenditures, compared to an average of 35.3 percent for all states, according to a 1985 report of the National Education Association.

SALES AND USE TAXES

Sales and use taxes, the largest source of state and local tax revenue in fiscal 1985, provided \$663 million of Utah's total tax collections. On a per capita basis, this amounted to slightly more than \$403 for each of the state's 1,645,000 residents.

Utah's sales and use taxes, the proceeds of which go into the state's General Fund, have been in effect since 1933. Sales tax is applicable to goods delivered and taxable services performed from a place of business in Utah. Use tax applies to (1) goods shipped to Utah for use, storage, or other consumption, (2) goods purchased outside of Utah for use, storage, or other consumption in Utah, and (3) services subject to tax performed outside the state for use, storage or other consumption in Utah.

In general, the basis for the state taxes is retail sales or use of tangible personal property, admissions, meals, general services on tangible personal property, hotel and motel accommodations, and laundry and dry cleaning services. Currently, the rate of state tax is 4-38/64ths percent of the purchase price on goods and services. For power and fuel for residential use, the rate is reduced to 1-38/64ths percent. (As will be explained below, cities and/or counties may levy local sales, use, mass transit, certain resort community room taxes, and utility taxes.)

A comparison of sales and use taxes in Utah with those in other Western states is shown in **Table 4**.

SALES TAX RELIEF MEASURES

A special incentive for manufacturers resulted from the passage by the 1985 Utah Legislature of House Bill 103, which exempts from both state and local sales or use taxes certain machinery and equipment purchased or leased by a manufacturer for use in new or expanding operations in manufacturing facilities in Utah. Additionally, certain qualifying purchases of equipment for water and/or air pollution control are exempt from Utah sales or use taxes if purchased after June 30, 1986, and on or before January 31, 1991. Also, in accordance with Utah State Tax Commission Rule S-35, manufacturers and processors may purchase power or fuel tax exempt if said power or fuel is used for noncommercial purposes.

LOCAL OPTION TAXES In addition to the state sales and use taxes, a uniform local sales and use tax applies in cities and counties which have adopted the local tax ordinance. Beginning July 1, 1986, and continuing through December 21, 1989, the local tax rate is 58/64ths of 1 percent of the purchase price of goods or services. Beginning January 1, 1990, the local tax rate will be increased to 1 percent and the state rate will, correspondingly, be reduced to 4½ percent. The tax applies to the same transactions as do the state sales and use tax laws.

Counties within an organized transit district may impose — in addition to the state and local sales and use taxes — a levy of ¼ of 1 percent to finance a

mass transportation system. Any such proposal must first be submitted to and approved by the electorate within the county. Presently, such voter-approved transportation systems are operating in Salt Lake, Weber and Davis Counties, and in parts of Summit (Park City) and Utah (Provo and Orem) Counties.

A resort community sales tax of up to 1 percent is also available to local communities whose transient room capacity equals or exceeds its permanent population. Four Utah communities currently (1986) are imposing the tax — Springdale, Alta and Brian Head at 1 percent, and Park City at ¾ of 1 percent.

Municipalities have authority under state law to impose a local tax of up to 6 percent on utilities (natural gas, electric power, water and telephone service). The tax is collected by the utility and remitted to the local government.

Questions regarding exemptions or other Utah sales or use tax matters should be directed, preferably in writing to: Auditing Division, Utah State Tax Commission, 160 East 300 South, Salt Lake City, 84134.

PROPERTY TAXES Property taxes are the second largest source of government revenue in Utah, and in 1985, property tax charges accounted for \$660.3 million, or 29.7 percent of total taxes. For fiscal 1985, Utah's per capita property tax amounted to \$401. How Utah compared with other Western States and the nation relative to property tax loads in fiscal 1984 is shown in **Table 5**.

Utah property taxes are computed on a basis of a mill levy or rate per dollar of assessed valuation. Assessment levels are uniform throughout the state, but mill levy rates vary greatly from place to place. For example, in 1985 local levies ranged from a low of 37.74 mills in an unincorporated portion of Summit County to a high of 101.25 mills in West Jordan. The state average was 72.55 mills. Beginning in 1986, the maximum real property assessment rate in Utah is set by law at 60 percent of fair cash value for residential property, at 80 percent for other real property assessed by counties, and at 100 percent for personal and centrally (state) assessed property.

TABLE 1
TOTAL STATE AND LOCAL TAX COLLECTIONS
FISCAL YEAR 1985

	Amount	Percent of Total
Property Taxes Charged:		
By County Assessors	\$ 533,618,527	
By State Tax Commission	126,708,727	
Total Property Taxes	660,327,254	29.7
Tax Collections:		
General Sales Tax		
State Sales and Use	555,414,779	
Local Sales and Use Tax ^a	107,977,933	
Total Sales Tax	663,392,712	29.8
Income Taxes:		
Individual	435,509,993	
Corporation Franchise	65,918,325	
Total Income Taxes	501,428,318	22.5
Unemployment Compensation Tax:	116,354,275	
	116,354,275	5.2
Other Taxes:		
Local Transit Authority Tax	21,701,966	
Insurance Taxes	22,262,350	
Tobacco Tax	13,183,929	
Mine Occupation Tax	46,880,361	
Motor Vehicle Registration	17,537,808	
Motor Fuel Tax	89,337,163	
Special Fuel Tax	17,790,558	
Inheritance Tax	4,786,014	
Misc. State & Local Taxes	51,041,491	
Total Other Taxes	284,521,640	12.8
Total State & Local Taxes	\$2,226,024,199	100.0

^a The local sales and use tax for 1985 is not uniform.

Sources: Utah State Tax Commission - Property Tax Data; **Statistical Study of Assessed Valuations and Taxes Charged**, Utah 1985, Table 7; Sales, Income, and "Other Tax" Data: **Annual Report of the Utah State Tax Commission**, July 1, 1984 to June 30, 1985, p. 15; Unemployment Tax Data: Utah Department of Employment Security (Unpublished, 1986).

TABLE 2**TAX STRUCTURE OF UTAH
FEBRUARY 1982**

Title	Year First Enacted	Basis of Tax	Rates			Allocation or Use
General Property	1849	20% of reasonable fair cash value ^a of real and tangible personal property. Metal-liferous mines assessed at \$5.00 an acre plus two times average net proceeds. In addition, machinery and other property of mines assessed at 20% of reasonable fair cash value.	Vary in each city, county and school district. In 1981 total property tax rates ranged from 35.44 mills in some unincorporated areas of Garfield County to 91.19 in one section of Alpine School District located in Utah County.			School districts, municipalities, counties and special districts.
Sales and Use	1933	Retail sales or use of tangible personal property, admissions, meals, general services, hotel, motel, laundry and dry cleaning.	4% of purchase price			To General Fund
	1959	Local option — city-county	Up to ¾% of purchase price			Returned to local governments imposing tax.
	1974	Local option-county for transit authority	¼% of purchase price			Transit District (in Salt Lake, Davis and Weber Counties)
Individual Income	1931	Taxable income as determined for federal tax purpose with upward adjustment for state income taxes paid and downward adjustments for federal income taxes incurred, interest on U.S. government securities, and designated retirement income.	Income	Percent Indiv.	Percent Joint	To Uniform School Fund; distributed to local school districts under minimum school program
			First \$ 750	2¾	2¾	
			Next 750	3¾	2¾	
			Next 750	4¾	3¾	
			Next 750	5¾	3¾	
			Next 750	6¾	4¾	
			Next 750	7¾	4¾	
			Next 1,500	7¾	5¾	
			Next 1,500	7¾	6¾	
			Over 7,500	7¾	7¾	
Withholding Provision	1959		26% of federal withholding or amount from Tax Commission table. 4% of royalties from mineral production.			
Corporation Franchise	1931	Net income allocable to State	4% of net taxable income. Minimum tax for state banks and corporations, is \$25.			To Uniform School Fund; same as above
Unemployment Compensation	1936	First \$12,000 of wages paid to each employee during calendar year.	1.3% to 3% of covered payroll depending upon stability of payroll. Entire tax paid by employer.			To Unemployment Compensation Fund; used to pay unemployment benefits
Motor Fuel	1923	Gallons of motor fuel sold or used	11 cents per gallon (6 cents per gallon on gasohol)			To transportation fund used for highway construction and maintenance. Portion of tax allocated to local units.
Aircraft Fuel	1923	Gallons of motor fuel for airplane use	4 cents per gallon			25% for aeronautics admin.; 75% to airports
Special Fuel	1941	Gallons of fuel used to propel motor vehicles except fuel subject to motor fuel tax law	11 cents per gallon			To transportation fund used for highway construction and maintenance. Portion of tax allocated to local units.
Motor Vehicle Registration	1909	Motorcycles, private autos, house trailers, manufacturers, transporters, dealers and wreckers — flat fees. Motor vehicles, trailers and semi-trailers used for transportation of passengers or property — unladen weight of vehicle.	Motorcycles in small trailers — \$7.50; private autos — \$10; house trailers — \$10; commercial vehicles — \$12.50 to \$655.			Cities and counties get first \$2,000,000 after admin. expense. Remainder; ¾ to cities and counties, ¼ to state transportation fund.
Automobile Driver Education	1957	Tax placed upon each motor vehicle registered — collected at time of registration.	\$2.00			For driver education program.
Mine Occupation	1937	Gross amount received or gross value of metalliferous ore sold — \$50,000 exempt	1%			To General Fund

TABLE 2
TAX STRUCTURE OF UTAH
FEBRUARY 1982
(Continued)

Title	Year First Enacted	Basis of Tax	Rates	Allocation or Use
Nonresident Commercial Vehicles	1951	Interstate commercial vehicles operating in Utah must pay (1) fee based on proportional mileage driven in the state or (2) secure a temporary permit.	(1) Proportional part of registration fee for commercial vehicles (must also pay proportional part of property tax on vehicles) (2) \$20 for single units and \$40 for multiple units.	To state transportation fund used for highway construction and maintenance.
Gas and Oil Occupation Tax	1955	Gross amount received or gross value of gas and oil sold — \$50,000 exempt.	2%	To General Fund
Tobacco	1923	(1) Cigarettes weighing less than 3 lbs. per 1,000; (2) cigarettes weighing more than 3 lbs. per 1,000; (3) all tobacco products except cigarettes.	(1) 12 cents per pkg. of 20; (2) 24 cents per pkg. of 20; (3) 25% of manufacturer's sale price.	To General Fund
License Fee	1923	Each place of business selling cigarettes or cigarette papers.	\$10.00	To General Fund
Insurance Companies	1896	(1) Ocean Marine Insurance — underwriting profit; (2) Other insurance — total premiums less returned premiums, reinsurance premiums, and dividends paid.	(1) 5%; (2) 2.25% with credits for property taxes and examination fees paid in Utah.	To General Fund: 50% of tax on fire insurance premiums and 10% of tax on life insurance premiums for firemen's pensions.
Inheritance	1901	Maximum credit allowed under Federal Estate Tax.	Amount of credit against Federal Estate Tax as determined on Federal Form 706.	To General Fund
Liquor Control Profits	1901	Profits from operation of state monopoly.	Price determined by State Liquor Control Commission. Markup may not be less than 59½% for distilled spirits and wines.	To General Fund. Appropriations made to cities and counties for various purposes.
School Lunch (Liquor Excise)	1943	Retail sales of wines and distilled liquors	13% of purchase price.	For school lunches.
Beer Tax	1935	Barrels of beer (consisting of 31 gallons) sold, imported, distributed, or consumed in Utah.	\$4.12 per barrel	To General Fund
Public Utilities Regulation	1935	Gross operating revenue for preceding calendar year, excluding income from interstate business.	Established by Tax Commission minimum rate — ¼%; Commission minimum tax — \$2.00	To Public Service
Fishing and Hunting Licenses	1907	License required to fish, hunt or trap game in the State. License fee depends on the residential qualification of applicant.	Resident of Utah; fishing — \$10.50 (12-16 — \$4.50); deer \$10; small game — \$8 (12-16 — \$4); combination — \$23; Non-resident of Utah; fishing — \$35 (temp. permits — \$5-\$15); deer — \$120; various fees for other special permits	To Fish and Game

^aReasonable fair cash value is not necessarily current market value. Thus, the actual assessment ratio may be somewhere between 5 and 20 percent of current market value for the various classes of property. The aim of the State Tax Commission is to assess property tax at about 20 percent of current market value.

Source: Utah Foundation, *Statistical Review of Government in Utah*, 1982 Edition (Salt Lake City, 1982).

TABLE 3
COMPARATIVE TAX MEASURES, MOUNTAIN AND WESTERN STATES
FISCAL YEAR 1983-1984

State	Estimated Population Jan. 1, 1984 ^a (Thousands)	Total State and Local Taxes ^b (Millions)	State and Local Taxes Per Capita (Dollars)	Total Personal Income ^c (Millions)	Per Capita Personal Income (Dollars)	State and Local Taxes as Percent of Per Capita Personal Income
Utah	1,609.5	\$1,872.2	\$1,163.22	\$ 15,340.2	\$ 9,531	12.20
Arizona	3,021.0	3,804.3	1,259.29	34,008.0	11,257	11.19
Colorado	3,168.0	4,256.2	1,343.50	41,997.5	13,257	10.13
Idaho	993.0	954.4	961.13	9,683.8	9,752	9.86
Montana	819.0	1,050.3	1,282.42	8,448.2	10,315	12.43
Nevada	907.0	1,232.9	1,359.32	11,558.5	12,744	10.67
New Mexico	1,412.5	1,699.9	1,203.47	14,009.0	9,918	12.13
Wyoming	514.5	1,279.7	2,487.27	6,094.8	11,846	21.00
California	25,490.5	38,511.5	1,510.82	352,035.8	13,810	10.94
Oregon	2,667.0	3,531.5	1,324.15	29,697.2	11,135	11.89
Washington	4,325.5	6,160.0	1,424.11	53,592.5	12,390	11.49
Averages:						
8 Mountain States	1,555.6	2,018.7	1,382.45	17,642.5 52,405.9	11,078 11,451	12.45 12.18
11 Western States	4,084.3	5,850.3	1,392.61	56,328.1		11.15
United States (incl. Wash. D.C.)	4,612.9	6,278.3				

^a Average estimates for July 1, 1983 and July 1, 1984.

^b Unemployment insurance taxes and liquor monopoly profits not included under federal definition.

^c Third and fourth quarters of 1983 and first and second quarters of 1984.

Source: U.S. Census Bureau, **Governmental Finances in 1983-84** (Washington, D.C.: U.S. Government Printing Office, October 1985), Table 5; **Current Population Reports, Series P-25, No. 970** (U.S. Government Printing Office, June 1985), p. 7, and Bureau of Economic Analysis, **REMD Quarterly Income Data (Disc)** (Washington, D.C., April 21, 1986).

TABLE 4
COMPARATIVE SALES AND USE TAX RATES,
UTAH AND WESTERN STATES AS OF JANUARY, 1986

State	Rate (Percent)	Maximum Allowable Local Rate (Percent)	Maximum Allowable Total Rate (Percent)
Utah	4.594 ^a	4.00	8.594
Arizona	5.00 ^b	4.00	9.00
Colorado	3.50 ^{c,d}	4.00	7.50
Idaho	4.00	--	4.00
Montana		No general sales tax	
Nevada	2.25	3.50	5.75
New Mexico	3.75	4.00	7.75
Wyoming	3.00	4.00	7.00
California	4.75	1.25	6.00
Oregon		No general sales tax	
Washington	6.50	4.00	10.50

^a Effective after July 1, 1986.

^b Retailers; other businesses, .375 - 4 percent.

^c Additional local taxes in some communities.

^d Added 1/10 percent tourism tax on selected items until July 1, 1988.

Source: Prentice-Hall, *State Tax Guide, All States 1985* (Englewood Cliffs, New Jersey: Prentice-Hall, November 4, 1985), pp. 201-208.

TABLE 5
COMPARATIVE PROPERTY TAX MEASURES, MOUNTAIN AND WESTERN STATES
FISCAL YEAR 1983-1984

State	Estimated Population Jan. 1, 1984 ^a (Thousands)	Total Property Taxes (Millions)	Property Taxes Per Capita (Dollars)	Property Taxes as Percent of Personal Income	Property Taxes as Percent of State & Local Taxes	Per Capita Personal Income ^b (Dollars)
Utah	1,609.5	\$ 522.7	\$ 324.76	\$ 9,531	3.41	27.92
Arizona	3,021.0	1,069.2	353.92	11,257	3.14	28.11
Colorado	3,168.0	1,415.7	446.88	13,257	3.37	33.26
Idaho	993.0	256.1	257.91	9,752	2.64	26.83
Montana	819.0	485.0	592.19	10,315	5.74	46.18
Nevada	907.0	271.6	299.45	12,744	2.35	22.03
New Mexico	1,412.5	210.2	148.81	9,918	1.50	12.37
Wyoming	514.5	561.9	1,092.13	11,846	9.22	43.91
California	25,490.5	9,870.4	387.22	13,810	2.80	25.63
Oregon	2,667.0	1,526.6	572.40	11,135	5.14	43.23
Washington	4,325.5	1,716.1	396.74	12,390	3.20	27.86
Averages:						
8 Mountain States	1,555.6	599.1	439.50	11,078	3.92	30.08
11 Western States	4,084.3	1,627.8	442.95	11,451	3.87	30.67
United States (incl. Wash. D.C.)	4,612.9	1,891.3	—	—	—	30.12

^a Average of estimates for July 1, 1983 and July 1, 1984.

^b Third and fourth quarters of 1983 and first and second quarters of 1984.

^c See Table 3 for State and Local Tax Totals.

Sources: U.S. Census Bureau, *Governmental Finances in 1983-84* (Washington, D.C.: U.S. Government Printing Office, October 1985), Table 5; *Current Population Reports, Series P-25, No. 970* (U.S. Government Printing Office, June 1985), p. 7, and Bureau of Economic Analysis, *REMD Quarterly Income Data (Disc)* (Washington, D.C., April 21, 1986).

TABLE 6**COMPARISON OF UTAH INCOME TAX LIABILITY FOR MARRIED COUPLE FILING JOINT RETURN AND SINGLE TAXPAYER RETURN (NOT ITEMIZING DEDUCTIONS) 1985**

State Tax Table Income	State Tax Liability	
	Couple Filing Joint Return (Two Exemptions)	Single Taxpayer (One Exemption)
\$ 1,000	\$ 0.00	\$ 0.00
3,000	0.00	30.00
5,000	18.00	112.00
8,000	128.00	300.00
10,000	210.00	416.00
12,000	300.00	523.00
15,000	476.00	698.00
20,000	804.00	1,000.00
25,000	1,123.00	1,287.00

Source: State Tax Commission of Utah, **Utah 1985 Individual Income Tax Forms, Short Form and Instructions** (Salt Lake City, 1986).

TABLE 7**COMPARISON OF CORPORATE INCOME TAX RATES
UTAH AND WESTERN STATES AS OF APRIL, 1986**

State	Tax Rate (Percent)	Effective Maximum Rate ^a (Percent)
Utah	5.0 ^b	5.0
Arizona	2.5-10.50 ^c	5.67
California	9.6	9.6
Colorado	5.0	5.0
Idaho	7.7	7.7
Montana	6.75	6.75
Nevada	. No corporate income tax	
New Mexico	4.8-7.2	7.2
Oregon	7.5 ^b	7.5
Washington	. No corporate income tax	
Wyoming	. No corporate income tax	

^a Before deduction for federal tax.

^b Local tax is also applied in some local jurisdictions.

^c Alternative tax of 6.4 percent on net capital gains.

Source: Prentice-Hall, **State Tax Guide, All States 1986** (Englewood Cliffs, New Jersey: Prentice-Hall, March 18, 1986), pp. 132A - 132B.

TABLE 8
STATE INCOME TAX ON SELECTED LEVELS OF
CORPORATE INCOME, UTAH AND WESTERN STATES
AS OF APRIL, 1986

State	State Tax on Corporate Income of:	
	\$1,000,000	\$10,000,000
Utah	\$ 50,000	\$ 500,000
Arizona	25,000	1,500,000 ^a
California	96,000	960,000
Colorado	50,000	500,000
Idaho	77,000	770,000
Montana	67,500	675,000
Nevada	No corporate income tax	
New Mexico	48,000	684,000
Oregon	75,000	750,000
Washington	No corporate income tax	
Wyoming	No corporate income tax	

^a Or, alternative tax of 6.4 percent on net capital gains.

Source: Prentice-Hall, *State Tax Guide, All States 1986* (Englewood Cliffs, New Jersey: Prentice Hall, March 18, 1986), pp. 132A - 132B.

TABLE 9
STATE UNEMPLOYMENT COMPENSATION TAXES FOR SELECTED WESTERN STATES
AS OF JANUARY, 1986

	Taxable Wage Base	Employer Experience Rates (Percent)		New Employer's Rate (Percent)
		Minimum	Maximum	
Utah	\$12,600	0.9	8.0	(*)
Arizona	7,000	0.1	5.4	2.7
California	7,000	1.0	5.5	3.5
Colorado	8,000	1.3	5.7	(**)
Idaho	15,600	1.7	5.6	3.7
Montana	11,900	1.7	6.4	3.8
Nevada	11,400	0.3	5.4	3.0
New Mexico	10,000	0.9	5.4	2.7
Oregon	14,000	2.2	5.4	3.5
Washington	11,500	2.5	5.4	(***)
Wyoming	9,500	1.25	8.25	(***)

(*) Average industry rate ranging from 1 percent to 8 percent.

(**) Greater of standard rate, experience rate or average industry rate.

(***) Average industry rate but not less than 1 percent.

Source: Prentice-Hall, *State Tax Guide, All States 1986* (Englewood Cliffs, New Jersey: Prentice-Hall, November 4, 1985), pp. 267-270A.

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